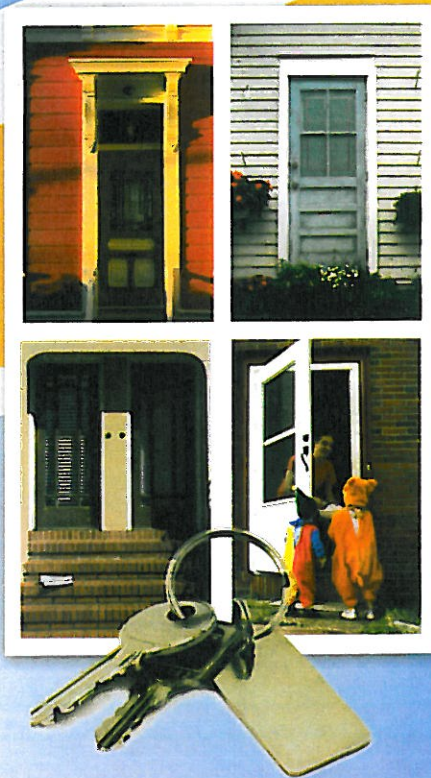


A Consumer's Guide to Home Insurance

 west virginia
OFFICES OF THE
INSURANCE
COMMISSIONER



A Message from Our Office

Protecting and educating consumers is one of our top priorities. To get the best value for their money, and to determine whether their insurance needs are met, consumers must become informed about their insurance options.

This brochure provides a brief overview of typical coverages for property owners and renters insurance as well as important tips that may help you control your insurance costs.

If you have any questions, or need additional information about any type of insurance, please contact The West Virginia Offices of the Insurance Commissioner's Consumer Service Division toll-free at **1-888-TRY-WVIC** or **304-558-3386**, weekdays from 8 a.m. to 5 p.m.



Shopping for Owners or Renters Insurance

Comparison shopping is key to getting the most for your insurance dollar. There are more than 100 licensed insurance companies doing business in the state that offer homeowners, mobile home owners, condominium, or renters insurance so there are plenty of places to shop. Some basic tips to follow when shopping for insurance are as follows:

- Familiarize yourself with the types of coverage available and determine which would best meet your needs
- Determine your current insurance costs and coverages
- Ask friends and relatives for recommendations
- Use the Internet as a resource for insurance information
- Get quotes from several different companies
- Ask about optional deductibles
- Ask about available discounts
- Ask about available installment plans
- Seek additional information

What Factors May Impact Rates

To give you an accurate quote, the agent or company may request the following information:

- Information regarding your current insurance coverage such as your limits, and the status of your policy
- Questions about your claims history
- Detailed information about your home such as its age, construction, size, and location; whether any updates have been made to the electrical, plumbing, heating and cooling systems, or to the roof
- The existence of any security devices such as deadbolt locks, smoke detectors, or alarm systems
- Information pertaining to your use of credit to calculate an insurance score
- Type and amount of coverage

Once your level of risk has been determined, the company will group you with other policyholders who have similar risk characteristics. The rate you pay with a particular company will depend on the experience of that risk group.

If You Cannot Find Coverage

If you are unable to obtain homeowners insurance in the voluntary market, have your agent contact the West Virginia Essential Property Insurance Association (i.e., the FAIR Plan). The FAIR Plan makes basic property insurance available to persons who have been otherwise unable to secure insurance coverage. Please note that **NO** liability coverage is available through the FAIR Plan.

Flood Insurance

Home, mobile home, condominium, and renters insurance policies **DO NOT** cover damage from flooding. Depending on where you live, you may qualify to purchase federal flood insurance through the National Flood Insurance Program. Your agent or insurance company can assist you with applications or questions regarding flood coverage. For more information about flood insurance, contact The **National Flood Insurance Program** at 1-800-638-6620 or our **Consumer Service Division**.



Basic Overview of Coverages

- **Property Coverages** provide protection for:
The **Dwelling** structure itself (house or mobile home.); **Other Structures** which are on the property (detached garage or shed); and your **Contents** household property (such as your clothing and furniture).
- **Additional Living Expenses/Loss of Use Coverage**
Reimburses the additional living expenses you incur while your home is undergoing repairs due to a covered loss or if the actions of a civil authority have restricted access to your home and your home cannot be occupied.
- **Personal Liability**
Protects you when a third party is injured either on your property or by a condition on your property, by paying on the amounts of damages you are legally responsible for but only up to the dollar limit of coverage that you have purchased. When you have sufficient liability insurance, your personal assets (i.e. savings, investments, or equity in your home) will not be jeopardized to pay for claims or lawsuits filed by an injured person. Personal liability insurance coverage includes the cost of legal defense.

- **Medical Payments**

This coverage protects you when a third party (not a household resident) is injured either on your property or by a condition on your property by paying a limited amount of their medical expenses regardless of fault or negligence.

www.wvinsurance.gov

Types of Property Coverages

There are several types of owners and renters insurance policies each tailored to give varying amounts of protection. They generally all provide coverage for your personal liability, medical payments, and additional living expenses as explained previously. Depending on the particular policy and the subject of insurance, losses will be settled (paid) on either a replacement cost basis or a form of actual cash value basis. Replacement cost insurance pays the cost to repair or replace your property (if possible) after a loss. Actual cash value provides for a lesser amount of coverage (replacement cost minus depreciation). In either case, your property should be insured to its full value in order to be adequately compensated in the event of loss.

- **Basic Cause of Loss Coverage:** (Named Perils) protects your dwelling and/or its contents only against the certain basic perils which are specifically listed in the policy. Any loss that does not result from one of those named perils would not be covered.

- **Broadened Cause of Loss Coverage:** (Extended Coverage Perils) in addition to the benefits of the basic coverage, this also protects your dwelling and/or its contents for some additional or expanded/extended coverage perils. As in the basic form, any loss that does not result from one of the perils insured against would not be covered.

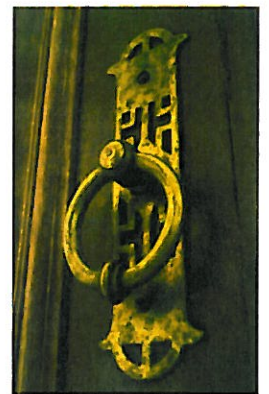
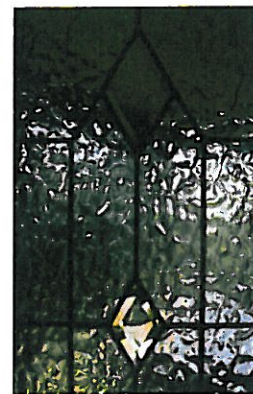
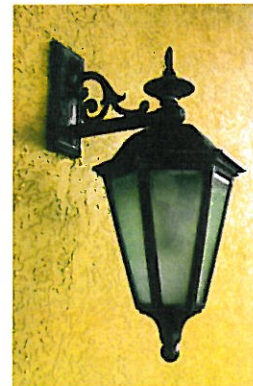
- **Special Form:** (Open Perils Coverage, or All Risk Coverage) covers your home for all risks of physical loss, except those that are specifically excluded in the policy, such as flood, earthquake, etc. This is the most common policy for homeowners, condominiums, and renters.

- **Tenants Coverage:** (or Renters Protection Policies) covers only your household contents. These policies may be issued with any of the forms of coverage noted above.

- **Condominium Unit Owners Coverage:** are specifically designed for condominium owners. These policies can be issued with any of the causes of loss noted above. Coverage is provided for your contents (personal property), as well as the single unit of the structure that you own. Loss Assessment coverage for commonly owned areas of the condominium are commonly included in these policies.

Optional Coverages

- Increased limits of Liability and/or Medical Payments Coverage
- Contents Replacement Cost Coverage
- Scheduled Personal Property Endorsement (valued coverage for specifically described items such as jewelry, works of art, etc.)
- Mine Subsidence
- Inflation Guard Endorsement (automatic increase in the limits of insurance)
- Earthquake Insurance
- Secondary Residence Premises Endorsement



TRY US, WE CAN HELP!
1-888-TRY-WVIC

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